cuts on bonus on endowment policies from Rs. 51/- per Rs. 1000/- sum assured to Rs.45 in 2005;

(b) whether falling income has forced the LIC to effect a 10 per cent reduction in bonus payable on endowment policies; and

(c) whether the LIC is also under time-bound pressure to shore up its solvency margin to IRDA's norms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. The LIC has reported that the Special One Time Bonus declared on the occasion of LIC's Golden Jubilee Year has no connection with the reduction in reversionary bonuses on its Endowment, Assurance and other plans. Reduction in bonus is due to fall in the interest rate in the market over the last few years.

(c) As informed by LIC, it has already achieved 100% solvency margin as required by the IRDA Regulations. However, it is now trying to achieve 150% solvency margin requirement as agreed with IRDA over the next few years.

Higher rate of interest of import duty on shipbreaking

2174. SHRI LEKHRAJ BACHANI: Will the Minister of FINANCE be pleased to state:

(a) whether higher rates of import duty have been prescribed for ship breaking in the country compared to rates applicable to the imported metal scrap;

(b) whether Government are aware that it has created adverse impact on small scale and rural industry in Gujarat; and

(c) whether Government would consider favourably the representation of Gujarat in the interest of industrial development of the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Basic Customs duty on ships for breaking-up is 5%. Non-alloy steel scrap and iron scrap imported for the purpose of melting attract 'nil' customs duty.

(b) No specific instance of adverse impact on small scale and rural industry in Gujarat due to charging of 5% import duty on ship breaking has come to the notice of the Government.

(c) Import duty on ship breaking scrap has been kept at the same level as that on rollable materials, as distinct from melting scrap, since ship breaking scrap is not primarily used for melting. For the present, no change is proposed in the duty structure on ships for breaking-up.

System for monitoring of foreign Exchange inflows

2175. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the RBI has adequate machinery and systems to carefully monitor and tabulate all foreign Exchange inflows into the country;

(b) if so, whether RBI also carefully collects and tabulates the data of such foreign exchange inflow on a country-wide basis;

(c) if not, how will the RBI have information as to which set of NRIs are sending what quantums of foreign exchange;

(d) to what extent is the RBI geared to do this basic work efficiently; and

(e) steps proposed to assist such NRIs who actually send foreign exchange remittances through legal banking channels in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The total foreign exchange inflows to India and outflows from India are compiled and disseminated by the Reserve Bank of India (RBI) as 'India's Overall Balance of Payments'. These are compiled in accordance with the international best practices as prescribed in the *Balance of Payments Manual;* 5th edition, International Monetary Fund.

(b) to (e) The overall balance of payment is compiled and disseminated in accordance with the international best practices where the country-wise details are not given. The RBI provides instrument-wise details on non-resident deposits in its monthly bulletin. While banking